

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 282

Introduced by Campbell, 25; Heidemann, 1; Krist, 10.

PURPOSE: The purpose of this resolution is to provide for the review, assessment, and recommendations relating to the implementation of the Nebraska Health Care Funding Act. The issues addressed by the study shall include, but not be limited to:

(1) The current distribution of funding under the Nebraska Health Care Funding Act, including the statutory requirements and the appropriations set by the Legislature;

(2) The outcome and priority of funding in fulfilling the purpose of the Nebraska Health Care Funding Act stated in section 71-7606, which is to provide for the use of dedicated revenue for health-care-related expenditures, including compliance with the requirement that any funds appropriated or distributed under the act shall not be considered ongoing entitlements or obligations on the part of the State of Nebraska and shall not be used to replace existing funding for existing programs;

(3) Statutory language identifying the tobacco settlement fund and intergovernmental transfer fund as trust funds notwithstanding that neither is a trust fund. Trust funds are assets held in trust, the use of which is governed by the conditions of the trust. Neither the tobacco settlement fund nor the intergovernmental transfer fund is governed by the conditions of a trust, and the use of both funds is strictly the prerogative of the Legislature; and

(4) Whether sustainability should be the policy governing allocations from the Nebraska Health Care Cash Fund. The latest report by the Nebraska Investment Council filed on September 22, 2010, indicates, based on current appropriations, that outflows will exceed inflows in every year in the next decade. Some projections estimate the fund will be depleted by 2037 or 2038. Hewitt, Ennis, Knupp, a consultant contracted by the Nebraska Investment Council, reported in March 2011 that if the current level of annual commitments is not reduced, "spending levels of high and very high will likely result in declining portfolio, under the current aggressive asset allocation. If spending can be kept low, portfolio will likely grow."

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SECOND LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Appropriations Committee and the Health and Human Services Committee of the Legislature shall be designated to conduct a joint interim study to carry out the purposes of this resolution.

2. That the committees shall upon the conclusion of this study make a report of their findings, together with their recommendations, to the Legislative Council or Legislature.